

Message Text

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C O N F I D E N T I A L CARACAS 1800

E.O. 11652: GDS

TAGS: PINT, PFOR, ETRD, SWEL, VE

SUBJ: THIS WEEK IN VENEZUELA

SUMMARY. THIS WEEK A HEATED CONTROVERSY SPRANG UP BETWEEN AD AND THE OPPOSITION OVER INVESTIGATIONS INTO CORRUPTION. THE SECOND SYMPOSIUM ON VENEZUELAN-U.S. RELATIONS WILL BE HELD NEXT WEEK. A MAMMOTH FRENCH TRADE EXHIBITION HAS OPENED IN CARACAS. A PROMINENT EDITOR HAS CRITICIZED THE U.S. VENEZUELAN RELIEF EFFORTS IN GUATEMALA CONTINUE. FIFTH NATIONAL PLAN ENCOUNTERS ADDITIONAL CRITICISM. AN INTERNATIONAL WATER LAW CONFERENCE MET HERE THIS WEEK. END SUMMARY.

1. THIS WEEK IN CARACAS. THE BIG LOCAL NEWS IS THE FIGHT BETWEEN THE AD PARTY AND THE COMPTROLLER GENERAL (SEE BELOW). PUBLIC INTEREST IS INCREASINGLY CENTERED ON THE SECRETARY'S FEBRUARY 16-18 VISIT TO CARACAS.

2. COMPTROLLER GENERAL'S INVESTIGATION CAUSES INTER-PARTY
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FEUD. COMPTROLLER JOSE MUCI-ABRAHAM'S INVESTIGATION OF A

BS. 200 MILLION PURCHASE OF PIPE WITHOUT BIDDING BY THE GOV'S WATER SUPPLY AGENCY HAS TRIGGERED A HEATED CONTROVERSY BETWEEN THE GOVERNING AD PARTY, MUCI, AND THE OPPOSITION. THE COMPTROLLER GENERAL, WHO IS ELECTED BY CONGRESS FOR A 5-YEAR TERM, HAS DEFENDED THE INDEPENDENCE OF HIS OFFICE AND DENIED ALLEGATIONS BY AD DEPUTIES OF ARROGANCE AND EXCEEDING HIS AUTHORITY. SOME AD LEADERS, MOST NOTABLY SECRETARY GENERAL LUIS PINERUA, WANT MUCI TO RESIGN IN ORDER TO FORESTALL HIS PRESENTING CONGRESS NEXT MONTH WITH EVIDENCE OF SOME 50 CASES OF PUBLIC ORRUPTION, WHICH AD DENIES EXISTS IN THE PRESENT GOVERNMENT.

3. VENEZUELAN-U.S. SYMPOSIUM. THE SECOND SYMPOSIUM ON VENEZUELAN-U.S. RELATIONS WILL BE HELD IN CARACAS FEBRUARY 16-18 UNDER THE SPONSORSHIP OF SIMON BOLIVAR UNIVERSITY FOUNDATION AND FLETCHER SCHOOL. THE SYMPOSIUM IS A FOLLOWUP TO ONE HELD IN BOSTON LAST YEAR AND WILL BE ATTENDED BY EMINENT CITIZENS OF BOTH COUNTRIES BOTH IN AND OUT OF GOVERNMENT. SECRETARY KISSINGER WILL ADDRESS THE GROUP FEBRUARY 17 DURING HIS VISIT TO VENEZUELA.

4. MAMMOTH FRENCH EXHIBITION OPENS. FRANCE'S FOREIGN COMMERCE MINISTER RAYMOND BARRE OPENED A GIANT TRADE EXHIBITION FEBRUARY 12 IN CARACAS' POLIEDRO WHICH INCLUDES THE PARTICIPATION OF 200 FIRMS AND 800 BUSINESSMEN. THE 10-DAY EXHIBITION MARKS A MAJOR EFFORT BY THE FRENCH (COSTING THEM MORE THAN \$2 MILLION) TO GAIN A LARGER SHARE OF THE VENZUELAN MARKET FOR TRANSPORTATION EQUIPMENT, INDUSTRIAL GOODS, AND ELECTRONICS HARDWARE. THE FRENCH ARE SIMULTANEOUSLY STAGING MEDICAL CONFERENCES IN CARACAS AND OTHER CITIES INVOLVING A NUMBER OF EMINENT FRENCH PHYSICIANS.

5. EDITOR ATTACKS U.S. RAFAEL POLEO, EDITOR OF THE WEEKLY NEWS-MAGAZINE ZETA, CHARGED THIS WEEK IN THE WAKE OF CUBAN INTERVENTION IN ANGOLA THAT U.S. ABANDONMENT OF ITS HISTORICAL LEADERSHIP ROLE, WHICH BRINGS ON THE DANGER OF A WORLD IMBALANCE, "IS THE MOST FRIGHTENING PROSPECT FACING MANKIND TODAY, SHORT OF NUCLEAR DESTRUCTION." ACCUSING THE U.S. OF "FALLING APART UNDER THE WEIGHT OF ITS MORAL AND HISTORICAL CONTRADICTIONS,"

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POLEO ASSERTED U.S. CITIES "ARE BECOMING BANKRUPT, ITS YOUTH HAS FALLEN INTO NIHILISM, AND ITS MOTHERS ARE NO LONGER PROUD TO HAVE THEIR SONS TAKE UP ARMS ON BEHALF OF THE FATHERLAND.

6. VENEZUELAN RELIEF EFFORTS CONTINUE. VENEZUELAN AIR FORCE PLANES HAVE CONTINUED TO FERRY MEDICAL SUPPLIES AND PERSONNEL TO GUATEMALA FOLLOWING LAST WEEK'S EARTHQUAKE. ON FEBRUARY 10 THE CABINET APPROVED A BS. 25 MILLION LOAN TO GUATEMALA FOR RE-

CONSTRUCTION OF DEVASTATED AREAS. PRESIDENT PEREZ HAS ASKED PUBLIC EMPLOYEES TO CONTRIBUTE 2 PERCENT OF THEIR FEBRUARY SALARIES TO AID THE EARTHQUAKE'S VICTIMS AND CALLED ON THE CTV AND FEDECAMARAS TO MOUNT A SIMILAR CAMPAIGN IN THE PRIVATE SECTOR.

7. FIFTH NATIONAL PLAN. THE FIFTH PLAN, DRAFTED BY THE GOV PLANNING AGENCY CORDIPLAN, IS BEING SEVERELY CRITICIZED BY THE PRIVATE SECTOR. FEDECAMARAS HAS COMPLAINED THAT THE PLAN IS TOO HEAVILY STATE-ORIENTED AND PROVIDES TOO LITTLE SCOPE FOR THE PRIVATE SECTOR. MEANWHILE PRESIDENT PEREZ AND THE AD LEADERSHIP ARE TRYING TO SORT OUT THEIR DIFFERENCES OVER THE PLAN, WHICH REPORTEDLY IS BEING REVISED.

8. INTERNATIONAL WATER LAW CONFERENCE. PRESIDENT PEREZ OPENED THE II INTERNATIONAL CONFERENCE ON WATER LAW AND ADMINISTRATION THIS WEEK IN CARACAS. CONTINUING HIS ADMINISTRATION'S INTEREST IN ENVIRONMENTAL MATTERS, PEREZ STATED HE WILL PROPOSE TO CONGRESS LEGISLATION MAKING WATER PART OF THE PUBLIC DOMAIN. PEREZ ALSO TOLD THE CONFERENCE, WHICH INCLUDES ONE U.S. OFFICIAL DELEGATE AND ABOUT TEN PRIVATE U.S. PARTICIPANTS, THAT HE INTENDS TO ESTABLISH A MINISTRY OF CONSERVATION TO DIRECT GOV EFFORTS TO PREVENT DESTRUCTION OF THE ENVIRONMENT.

9. OTHER SUBJECTS REPORTED SEPARATELY INCLUDE THE GOV'S INVESTIGATION INTO ALLEGED BRIBES BY LOCKHEED AIRCRAFT (CARACAS 1603), THE MEP-COPEI VICOTRY IN THE PETROLEUM WORKER ELECTIONS (CARACAS 1549), VENEZUELA'S VIEWS ON CIEC (CARACAS 1546), OIL ISSUES THAT MAY BE RAISED WITH FEA ADMINISTRATOR ZARB (CARACAS 1604), VENEZUELAN IRON ORE EXPORTS DROP (CARACAS 1545), HIGH INTEREST IN VENEZUELAN RAILWAY CONTRACTS (CARACAS 1715), AND THE FIFTH NATIONAL PLAN (CARACAS 1754).

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